

2011 Property Tax Report

Clay County

with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Clay County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

Comparable Homestead Property Tax Changes in Clay County

The average homeowner saw a 20.0% tax bill increase from 2010 to 2011.

Homestead taxes in 2011 were still 48.0% lower than they were in 2007, before the property tax reforms.

96.6% of homeowners saw lower tax bills in 2011 than in 2007.

60.7% of homeowners saw tax increases of 20% or more from 2010 to 2011.

The largest percentage of homeowners have seen between a 40% and 69% decrease in their tax bills from 2007 to 2011.

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
Summary Change in Tax Bill				
Higher Tax Bill	5,965	91.7%	142	2.2%
No Change	331	5.1%	80	1.2%
Lower Tax Bill	210	3.2%	6,284	96.6%
Average Change in Tax Bill	20.0%		-48.0%	
Detailed Change in Tax Bill				
20% or More	3,951	60.7%	77	1.2%
10% to 19%	1,324	20.4%	28	0.4%
1% to 9%	690	10.6%	37	0.6%
0%	331	5.1%	80	1.2%
-1% to -9%	95	1.5%	71	1.1%
-10% to -19%	28	0.4%	102	1.6%
-20% to -29%	15	0.2%	283	4.3%
-30% to -39%	10	0.2%	743	11.4%
-40% to -49%	13	0.2%	1,519	23.3%
-50% to -59%	9	0.1%	1,760	27.1%
-60% to -69%	7	0.1%	984	15.1%
-70% to -79%	8	0.1%	300	4.6%
-80% to -89%	3	0.0%	148	2.3%
-90% to -99%	5	0.1%	112	1.7%
-100%	17	0.3%	262	4.0%
Total	6,506	100.0%	6,506	100.0%

Note: Percentages may not total due to rounding.

★★★★★
 LOSS OF STATE HOMESTEAD
 CREDIT AND LOWER LOCAL
 HOMESTEAD CREDITS
 INCREASED HOMEOWNER
 TAX BILLS
 ★★★★★

Homestead Property Taxes

Homestead property taxes increased 20% on average in Clay County in 2011. This was much more than the state average of 4.4%. Clay County homestead taxes were still 48% lower in 2011 than they were in 2007, before the big tax reform. The larger-than-average homestead tax increase in 2011 was partly due to the phaseout of the state homestead credit in 2011. The state homestead credit was 4.8% in Clay County in 2010. In addition, Clay County's local residential credit declined in 2011, due to a drop in the local income tax revenues that fund it. Homestead tax bills still were low in Clay County, however. There were few homesteads in Clay with tax bills high enough to qualify for tax cap credits.

Tax Rates

Property tax rates increased in most Clay County tax districts. The average tax rate increased slightly, by 0.8%. The tax levy increased by a small amount, while net assessed value also increased. Levies in Clay County increased by 2.0%. Several local units contributed small levy increases; the biggest was for the Clay School Corporation's debt service fund. Clay County's total net assessed value increased 3.6% in 2011. (The certified net AV used to compute tax rates rose by 1.2%.) All property types saw net assessed value increases. Apartments and business property saw the biggest increases, at 9.2% and 6.5%, respectively.

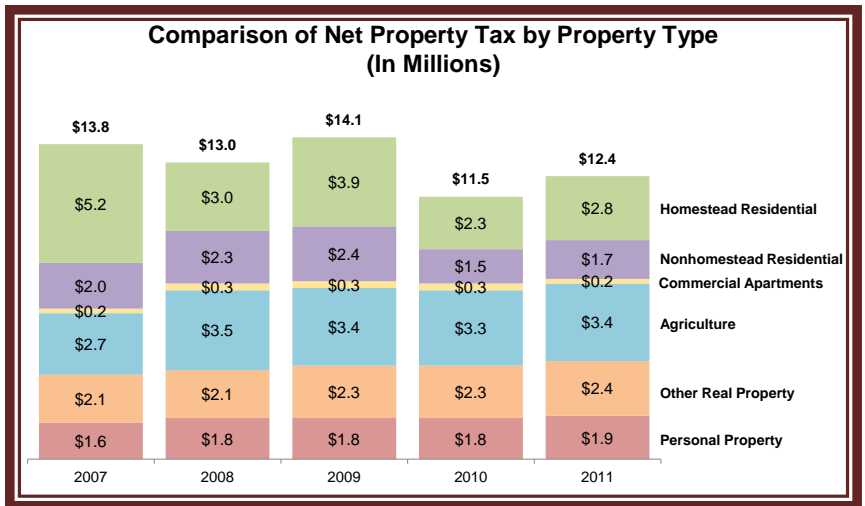
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*TAX INCREASES FOR MOST CLASSES OF
PROPERTY, DUE TO LOWER LOCAL CREDITS
AND TAXABLE ASSESSMENT INCREASES*

★★★★★★

Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers rose 9.5% in Clay County in 2011, more than the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills increase by 15.2%. Tax bills for commercial apartments fell 15.9%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment - increased by 7.4%. The large increase for other residential property reflected the drop in the LOIT-funded credit rate; the increase for business was due to the larger increase in taxable assessed value. Agricultural taxes rose 3.9%. This was mainly due to the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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*TAX CAP CREDITS INCREASED SLIGHTLY
IN 2011, BUT REMAIN VERY LOW*

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Total tax cap credit losses in Clay County were \$17,558, or 0.1% of the levy. This was far less than the state average loss rate of 9.2%, and less than the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Clay County's tax rates were less than the state median.

Most of the total tax cap credits were in the Elderly category. This is a cap on the percentage increase in tax bills for homeowners over age 65. The loss of the state homestead credit raised tax bills for these homeowners, making more of them eligible for this tax cap credit. Tax cap losses for Clay County local governments were insignificant, in dollar terms and as a percentage of the tax levy.

Clay County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$367	\$1,695	\$0	\$391	\$2,452	0.0%
2011 Tax Cap Credits	38	2,639	0	14,880	17,558	0.1%
Change	-\$328	\$945	\$0	\$14,489	\$15,105	0.1%

Tax cap credits increased in Clay County in 2011 by \$15,105. This was a substantial percentage

increase over 2010, but still accounted for only 0.1% of the levy. Most of the increase in tax cap credits was in the Elderly tax cap category.

The Effect of Recession

The 2009 recession appears to have had little effect on Clay County assessments for pay-2011. Assessed value increased in all property categories. The decline in local income tax revenue was a result of the recession, however, and this reduced property tax credits and caused an increase in homeowner tax bills.

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*2009 RECESSION DID NOT HAVE A LARGE
EFFECT ON ASSESSMENTS, BUT DID REDUCE
LOIT-FUNDED TAX CREDITS*

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Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$720,747,890	\$729,334,430	1.2%	\$275,701,121	\$284,158,040	3.1%
Other Residential	94,675,100	96,631,400	2.1%	91,188,742	92,949,636	1.9%
Ag Business/Land	224,458,500	229,841,860	2.4%	222,945,640	228,415,055	2.5%
Business Real/Personal	255,396,350	260,807,390	2.1%	198,688,162	211,518,340	6.5%
Total	\$1,295,277,840	\$1,316,615,080	1.6%	\$788,523,665	\$817,041,071	3.6%

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

Clay County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	2011	%Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
County Total	20,117,574	21,419,681	14,310,246	14,416,800	14,708,005	6.5%	-33.2%	0.7%	2.0%
State Unit	21,824	21,990	0	0	0	0.8%	-100.0%		
Clay County	3,159,931	3,202,192	3,051,087	3,084,480	3,157,210	1.3%	-4.7%	1.1%	2.4%
Brazil Township	96,509	99,283	103,962	103,794	103,319	2.9%	4.7%	-0.2%	-0.5%
Cass Township	2,493	2,801	3,079	3,252	1,652	12.4%	9.9%	5.6%	-49.2%
Dick Johnson Township	29,751	31,006	33,186	33,740	34,628	4.2%	7.0%	1.7%	2.6%
Harrison Township	40,945	40,197	42,110	41,678	41,873	-1.8%	4.8%	-1.0%	0.5%
Jackson Township	18,145	23,231	24,506	24,742	24,981	28.0%	5.5%	1.0%	1.0%
Lewis Township	19,440	23,834	23,977	23,896	23,963	22.6%	0.6%	-0.3%	0.3%
Perry Township	19,431	20,077	21,272	21,060	20,914	3.3%	6.0%	-1.0%	-0.7%
Posey Township	45,726	66,451	71,748	72,130	73,675	45.3%	8.0%	0.5%	2.1%
Sugar Ridge Township	14,949	17,342	18,511	18,585	19,033	16.0%	6.7%	0.4%	2.4%
Van Buren Township	72,201	75,547	79,059	79,513	79,193	4.6%	4.6%	0.6%	-0.4%
Washington Township	8,295	9,092	9,574	9,709	9,865	9.6%	5.3%	1.4%	1.6%
Brazil Civil City	1,563,122	1,700,531	1,684,579	1,759,034	1,809,409	8.8%	-0.9%	4.4%	2.9%
Carbon Civil Town	10,319	10,890	9,672	10,702	10,775	5.5%	-11.2%	10.6%	0.7%
Center Point Civil Town	11,082	11,549	13,025	13,839	15,018	4.2%	12.8%	6.2%	8.5%
Clay City Civil Town	126,066	135,141	140,287	142,663	146,869	7.2%	3.8%	1.7%	2.9%
Knightsville Civil Town	31,542	33,910	34,089	34,790	37,278	7.5%	0.5%	2.1%	7.2%
Staunton Civil Town	19,430	21,216	22,609	22,782	23,596	9.2%	6.6%	0.8%	3.6%
Harmony Civil Town	50,368	54,604	54,319	49,445	65,502	8.4%	-0.5%	-9.0%	32.5%
Clay Community School Corp	13,459,432	14,290,472	7,974,506	7,866,932	7,973,675	6.2%	-44.2%	-1.3%	1.4%
M.S.D. Shakamak School Corp	965,699	1,149,709	525,597	620,765	657,047	19.1%	-54.3%	18.1%	5.8%
Brazil Public Library	303,929	347,683	352,411	361,377	359,965	14.4%	1.4%	2.5%	-0.4%
Clay-Owen-Vigo Solid Waste Mgt Dist	0	0	0	0	0				
Poland Fire Terr (Jackson Township)	14,141	17,099	17,081	17,892	18,565	20.9%	-0.1%	4.7%	3.8%
Clay County Redevelopment Comm	12,804	13,834	0	0	0	8.0%	-100.0%		

Clay County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads
			LOIT PTRC	COIT	CEDIT	CEDIT	LOIT	LOIT	
				Homestead	Homestead	Residential	Homestead	Residential	
11001	Brazil Township	1.7968	--	--	--	--	--	39.5781%	1.0857
11002	Brazil City - Brazil Township	2.8480	--	--	--	--	--	39.5781%	1.7208
11003	Cass Township	1.6282	--	--	--	--	--	39.5781%	0.9838
11004	Dick Johnson Township	1.5914	--	--	--	--	--	39.5781%	0.9616
11005	Harrison Township	1.5477	--	--	--	--	--	39.5781%	0.9351
11006	Clay City Town	2.5696	--	--	--	--	--	39.5781%	1.5526
11007	Jackson Township	1.5217	--	--	--	--	--	39.5781%	0.9194
11008	Brazil City - Jackson Township	2.7982	--	--	--	--	--	39.5781%	1.6907
11009	Lewis Township	1.6083	--	--	--	--	--	39.5781%	0.9718
11010	Perry Township	1.5286	--	--	--	--	--	39.5781%	0.9236
11011	Posey Township	1.5579	--	--	--	--	--	39.5781%	0.9413
11012	Brazil City - Posey Township	2.8208	--	--	--	--	--	39.5781%	1.7044
11013	Staunton Town	1.8738	--	--	--	--	--	39.5781%	1.1322
11014	Sugar Ridge Township	1.5338	--	--	--	--	--	39.5781%	0.9268
11015	Center Point Town	1.8161	--	--	--	--	--	39.5781%	1.0973
11016	Van Buren Township	1.5915	--	--	--	--	--	39.5781%	0.9616
11017	Carbon Town	1.9313	--	--	--	--	--	39.5781%	1.1669
11018	Knightsville Town	1.9100	--	--	--	--	--	39.5781%	1.1541
11019	Harmony Town	2.1316	--	--	--	--	--	39.5781%	1.2880
11020	Washington Township	1.5185	--	--	--	--	--	39.5781%	0.9175

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Clay County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total	Levy	
<i>Non-TIF Total</i>	38	2,639	0	14,880	17,558	14,708,005	0.1%
<i>TIF Total</i>	0	0	0	0	0	157,586	0.0%
<i>County Total</i>	38	2,639	0	14,880	17,558	14,865,591	0.1%
Clay County	5	389	0	3,046	3,440	3,157,210	0.1%
Brazil Township	1	29	0	148	177	103,319	0.2%
Cass Township	0	0	0	1	1	1,652	0.1%
Dick Johnson Township	0	0	0	33	33	34,628	0.1%
Harrison Township	0	1	0	7	8	41,873	0.0%
Jackson Township	0	1	0	34	34	24,981	0.1%
Lewis Township	0	0	0	10	10	23,963	0.0%
Perry Township	0	0	0	4	4	20,914	0.0%
Posey Township	0	0	0	107	107	73,675	0.1%
Sugar Ridge Township	0	0	0	7	7	19,033	0.0%
Van Buren Township	0	5	0	80	85	79,193	0.1%
Washington Township	0	0	0	2	2	9,865	0.0%
Brazil Civil City	15	889	0	2,177	3,081	1,809,409	0.2%
Carbon Civil Town	0	0	0	0	0	10,775	0.0%
Center Point Civil Town	0	0	0	6	6	15,018	0.0%
Clay City Civil Town	0	22	0	82	104	146,869	0.1%
Knightsville Civil Town	0	0	0	46	46	37,278	0.1%
Staunton Civil Town	0	0	0	78	78	23,596	0.3%
Harmony Civil Town	0	92	0	188	280	65,502	0.4%
Clay Community School Corp	15	1,058	0	8,025	9,097	7,973,675	0.1%
M.S.D. Shakamak School Corp	0	0	0	279	279	657,047	0.0%
Brazil Public Library	3	155	0	507	665	359,965	0.2%
Clay-Owen-Vigo Solid Waste Mgt Dist	0	0	0	0	0	0	
Poland Fire Terr (Jackson Township)	0	0	0	14	14	18,565	0.1%
Clay County Redevelopment Comm	0	0	0	0	0	0	
TIF - No Central Econ Dev TIF Orig	0	0	0	0	0	0	
TIF - No Central Econ Dev TIF Exp	0	0	0	0	0	24,756	0.0%
TIF - I-70 SR59 Jackson	0	0	0	0	0	32,260	0.0%
TIF - I-70 SR59 Posey	0	0	0	0	0	7,040	0.0%
TIF - Ivc Industrial Van Buren PP	0	0	0	0	0	0	
TIF - Ivc Industrial Van Buren	0	0	0	0	0	93,530	0.0%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.